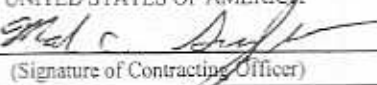


AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE J		PAGE OF PAGES 1 3	
2. AMENDMENT/MODIFICATION NO. P00007		3. EFFECTIVE DATE 01-Oct-2001		4. REQUISITION/PURCHASE REQ. NO. F73LGT93210400		5. PROJECT NO.(If applicable)	
ID BY JNS/LGC (MARK SNYDER, CONTRACTING OFFICER) MARK.SNYDER@SHEPPARD.AF.MIL 136 K AVE, SUITE 1 SHEPPARD AFB, TX 76311-2746		CODE FA3020 7. ADMINISTERED BY (If other than item 6) 82 CONS/LGC (MARK SNYDER, CONTRACTING OFFICER) MARK.SNYDER@SHEPPARD.AF.MIL 136 K AVE, SUITE 1 SHEPPARD AFB, TX 76311-2746		CODE FA3020			
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) T SQUARE LOGISTICS SERVICES CORPORATION 8543 GATEWICK DRIVE COLORADO SPRINGS, CO 80920 CODE 1D5B15S FACILITY CODE				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				X 10A. MOD. OF CONTRACT/ORDER NO. F41612-01-C-0001			
				X 10B. DATED (SEE ITEM 13) 01-Oct-2000			
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the document; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN THE REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B. ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).							
C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:							
X D. OTHER (Specify type of modification and authority) Contract Clause FAR 52.217-9, Option to Extend the Term of the Contract, & Clause FAR 52.212-4(c)(1)							
E. IMPORTANT: Contractor <input checked="" type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) POC: SULLIVAN, VICKIE L. PHONE: (940) 676-4406 SEE SCHEDULE							
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)			
				MARK C. SNYDER / CONTRACTING OFFICER			
15B. CONTRACTOR/OFFEROR		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA		16C. DATE SIGNED	
_____ (Signature of person authorized to sign)				BY  (Signature of Contracting Officer)		12-Sep-2001	

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE
	F41612-01-C-0001-P00007	2 OF 3
NAME OF OFFEROR OR CONTRACTOR T SQUARE LOGISTICS SERVICES CORPORATION		

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

14A. Pursuant to Part II, Contract Clause FAR 52.217.9, entitled "Option to Extend the Term of the Contract", the government elects to exercise its right of option to extend the contract for Option Period One, 1 October 2001 through 31 March 2002, at the prices shown in Part I, Section B, Pages 6 and 7. This modification also incorporates page changes to the Collective Bargaining Agreement between T-Square and the Union. Also, the Collective Bargaining Agreement effective 28 June 2001 between Phoenix Management, Inc. (Subcontractor) and the Union is added.

14B. This increase is subject to Part II, Contract Clause FAR 52.232.18, entitled "Availability of Funds".

14C. Collective Bargaining Agreement between International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its' Local Union No. 286, dated 1 October 2000 through 30 September 2002 and T-Square, Inc.; and Collective Bargaining Agreement between International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its' Local Union No. 286, dated 28 June 2001 through 30 September 2002 and Phoenix Management, Inc. (Subcontractor) is hereby incorporated as specified by Area Wage Determination 96-0434 (Rev 5) dated 07/25/2001 which replaces Area Wage Determination 96-0434 (Rev 4) dated 01/11/2001.

14D. In accordance with Part II, Contract Clause FAR 52.222-43, entitled "Fair Labor Standards Act and Service Contract Act - Price Adjustment (Multiple Year and Option Contracts)", the contractor is required to notify the contracting officer of any increases or decreases to the cost of performance of this contract by reason of applications of the above Area Wage Determination and the Collective Bargaining Agreement cited in paragraph C above. Request for equitable adjustment resulting from any increases or decreases shall be forwarded to the contracting officer within 30 days after the effective date of this modification (1 November 2001). The parties shall enter into negotiations for the purpose of making appropriate adjustments in contract price applicable to subject Area Wage Determinations or Collective Bargaining Agreement.

14E. The following contract pages are to be deleted from the contract and the revised replacement pages attached to this modification are provided for incorporation into the contract:

Delete Page No.:

Table of Contents, Page 2
Part III, List of Attachments, Page 23
AWD 96-0434 (Rev 4) 01/11/01
CBA, Cover Page, PMI
CBA, Signature Page 49, PMI
CBA, Attachment "A"
CBA, Health & Welfare Benefits

Insert Page No.:

Table of Contents, Page 2
Part III, List of Attachments, Page 23
AWD 96-0434 (Rev 5) 07/25/01
CBA, Cover Page, T-Square
CBA, Signature Page 49, T-Square
CBA, Attachment "A"
CBA, Health & Welfare Benefits

The Collective Bargaining Agreement between Phoenix Management, Inc. (Subcontractor) and the Union is attached for incorporation.

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED F41612-01-C-0001-P00007	PAGE 3 OF 3
NAME OF OFFEROR OR CONTRACTOR T SQUARE LOGISTICS SERVICES CORPORATION		

Summary for the Payment Office

The total funded amount of the contract remains unchanged.

TABLE OF CONTENTS

I. SF 1449 Solicitation/Contract/Order for Commercial Items Continuation from SF 1449

- (1) Continuation for SF 1449; block 17b.
- (2) Schedule, Continuation for blocks 19-24, Prices/Costs

II. Applicable Contract Clauses

- (1) FAR 52.212-4 (Full Text) Contract Terms & Conditions
- (2) Addendum 1 to FAR 52.212-4
- (3) FAR 52.212-5 (Full Text), Contract Terms & Conditions

III. Contract Documents, Exhibits and Attachments

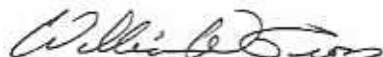
- (1) Statement of Work (SOW)
- (2) Department of Labor Wage Determination No. 96-0434, Rev 05, dated 07/25/2001
- (3) Collective Bargaining Agreement (CBA), T-Square
- (4) Collective Bargaining Agreement (CBA), Phoenix Management, Inc. (Subcontractor)

III CONTRACTING DOCUMENTS, EXHIBITS, AND ATTACHMENTS

<u>Attachment</u>	<u>Description</u>	<u>Number of Pages</u>
1	Statement of Work (SOW)	126
2	Department of Labor Wage Determination No. 96-0434, Rev 05, dated 07/25/2001	1
3	Collective Bargaining Agreement UAW and It's Local Union No. 286 Region 5 Oklahoma City Area Office and T-Square	57
4	Collective Bargaining Agreement UAW and Its Local Union No. 286 And Phoenix Management, Inc. (Subcontractor)	39
5	Amendment 0002, 04/14/2000	03
6	Amendment 0003, 04/20/2000	02
7	Amendment 0005, 04/27/2000	09
8	Amendment 0006, 04/28/2000	03
9	Amendment 0007, 07/05/2000	01

REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210



William W. Gross
Director

Division of
Wage Determinations

Wage Determination No.: 1996-0434
Revision No.: 5
Date of Last Revision: 07/25/2001

This wage determination applies at the address(es) below:

Sheppard Air Force Base, Wichita County, TX

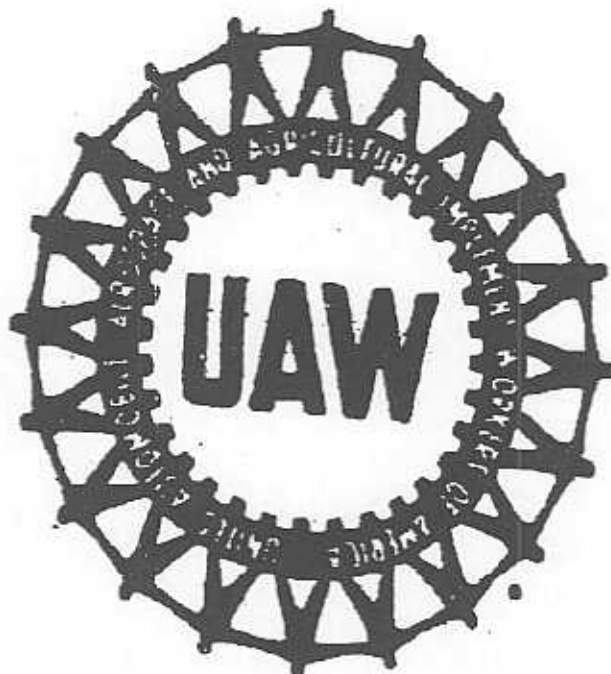
Employed on Air Force contracts for vehicle operations, maintenance and analysis services.

Collective Bargaining Agreement between Phoenix Management, Inc. (Subcontractor) and International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW and its' Local Union No. 286 effective June 28, 2001 through September 30, 2002.

Collective Bargaining Agreement between T-Square, Inc. and International Union, United, Automobile, Aerospace and Agricultural Implement Workers of America, UAW, Local Union No. 286, effective September 30, 1998 through September 30, 2002.

In accordance with Sections 2(a) and 4(c) of the Service Contract Act, as amended, employees employed by the contractor(s) in performing services covered by the Collective Bargaining Agreement(s) are to be paid wage rates and fringe benefits set forth in the current collective bargaining agreement and modified extension agreement(s).

2001 MAR 26 PM 2:06



AGREEMENT
between
INTERNATIONAL UNION, UNITED, AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS
OF AMERICA, UAW
and its' LOCAL UNION NO. 286

and

T-SQUARE, INC.
VEHICLE MAINTENANCE CONTRACT
SHEPPARD AIR FORCE BASE
10-1-00 THROUGH 9-30-02

EXECUTED AT WICHITA FALLS, TEXAS ON THE 1st DAY OF October IN YEAR OF 2000

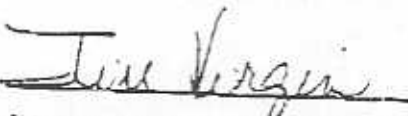
IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR DULY AUTHORIZED OFFICERS AND REPRESENTATIVES AS SIGNIFIED BELOW WITH THEIR SIGNATURES.

FOR THE UNION:




DAVID DUNN

INTERNATIONAL REPRESENTATIVE
INTERNATIONAL UNION, UAW



CHAIRPERSON UAW LOCAL 286



PRESIDENT UAW LOCAL 286

FOR THE COMPANY:



TOM FORTNER

PRESIDENT
T-SQUARE, INC.

2001 MAR 26 PM 2:06

vy/apeiu494 afl-cio

**Phoenix Management 10-1-98 to 10-1-99
 T-Square 10-1-2000 to 10-1-2001

ATTACHMENT "A"
HOURLY WAGES

CLASSIFICATION	WAGES EFFECTIVE 10-1-98	WAGES EFFECTIVE 10-1-99	WAGES EFFECTIVE 10-1-2000	WAGES EFFECTIVE 10-1-2001
BODY REPAIRER/ PAINTER	17.51	18.04	18.58	19.14
MECHANIC	17.51	18.04	18.58	19.14
BUS DRIVER	12.86	13.25	13.65	14.06
DRIVER-MEDIUM	12.86	13.25	13.65	14.06
DRIVER-TAXI	11.97	12.33	12.70	13.08
DRIVER-LIGHT	11.97	12.33	12.70	13.08
DRIVER-HEAVY	13.08	13.47	13.87	14.29
M C & A	10.18	10.49	10.80	11.12
FORKLIFT				
OPERATOR	12.60	12.98	13.37	13.77
WRECKER DRIVER	15.17	15.63	16.10	16.58
DISPATCHER	11.27	11.61	11.96	12.32
YARDMASTER/ CLEANER	9.66	9.95	10.25	10.56
STOCK/PARTS				
CLERK	13.08	13.47	13.87	14.29
FLEET MGR	13.08	13.47	13.87	14.29
REPORTS AND ANALYSIS	10.95	11.28	11.62	11.97
DRIVER/ EVALUATOR	10.94	11.27	11.61	11.96

HEALTH AND WELFARE BENEFITS:

IN ACCORDANCE WITH ATTACHMENT "A" OF THE COLLECTIVE
 BARGAINING AGREEMENT, THE COMPANY AND THE UNION HAVE AGREED TO
 THE FOLLOWING REGARDING HEALTH AND WELFARE BENEFITS EFFECTIVE
 10-1-2000.

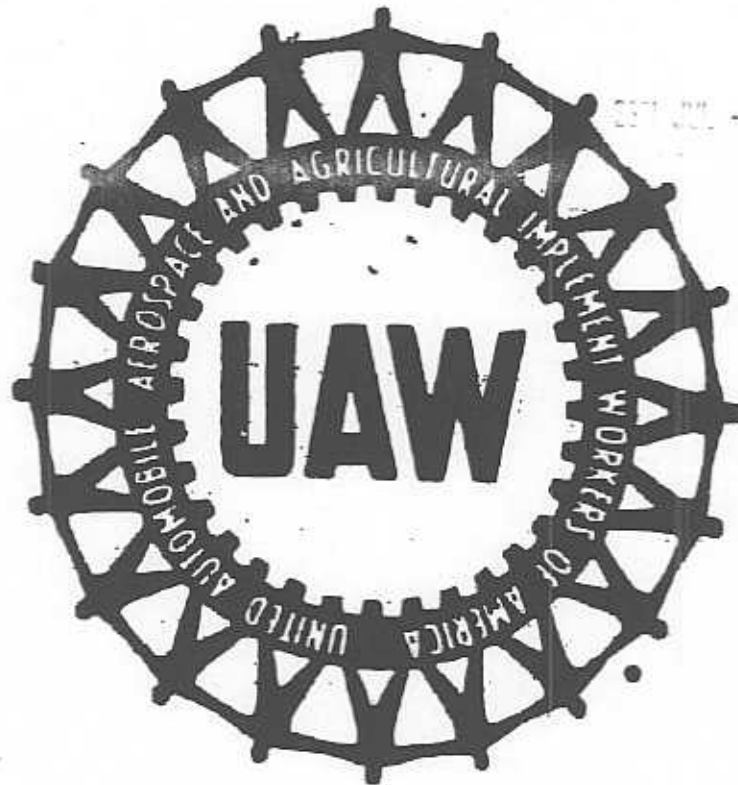
2001 MAR 26 11:10

HEALTH AND WELFARE BENEFITS

1. THE PARTIES HAVE AGREED TO A JOINT SURVEY FOR THE BEST 401 (K) SAVINGS PLAN AVAILABLE THAT PROVIDES EMPLOYEES WITH THE MOST OPTIONS ON INVESTING THEIR HEALTH AND WELFARE BENEFITS. THE NEW PLAN WILL BE IMPLEMENTED WITHIN NINETY (90) DAYS OF RATIFICATION FROM THE MEMBERSHIP OF T-SQUARE, UAW LOCAL 286.

<u>CURRENT</u>	<u>EFFECTIVE</u> 10-1-99	<u>EFFECTIVE</u> 10-1-2000	<u>EFFECTIVE</u> 10-1-2001
\$2.80	\$3.00	\$3.00	\$3.25

2001 MAR 26 PM 2:06



AGREEMENT
Between
INTERNATIONAL UNION, UNITED AUTOMOBILE,
AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS
OF AMERICA, UAW
And Its LOCAL UNION NO. 286

And

PHOENIX MANAGEMENT, INC.
VEHICLE MAINTENANCE CONTRACT
SHEPPARD AIR FORCE BASE
6-28-01 Through 9-30-02

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ARTICLE I

BARGAINING UNIT AND WORK COVERED

1.1 EXCLUSIVE REPRESENTATION: The Company recognizes the Union as the sole and exclusive bargaining agency and representative of all employees identified in the occupational classification set forth in Attachment "A" and employed by the Company under its base operating supply support contract with the U. S. Air Force located at Sheppard Air Force Base, but excluding confidential secretaries, supervisors, and management personnel as defined in the National Labor Relations Act. The Company will not bargain individually with any bargaining unit member regarding wages, hours and working conditions.

1.2 SCOPE: This Agreement shall cover all of the work of the occupational classifications set forth in Attachment "A" to this Agreement and employed by the Company under its Vehicle Operations, Maintenance and Analysis Service Contract with the U. S. Air Force located at Sheppard Air Force Base.

loss of Company property, nor does the Company cede any rights in this regard to which it may be entitled.

2.2 NO LOCKOUT: During the term of this Agreement, the Company shall not cause, permit, or engage in any lockout of its employees.

2.3 RIGHTS & FUNCTIONS OF MANAGEMENT: Management's rights include, without limitation, the following: to direct, control, and schedule its operations and work force; to make all decisions affecting the business; to hire, terminate, promote, lay off, assign, classify, evaluate transfer, suspend, discharge and discipline employees for just cause; to select the number assigned to any particular work; to determine the starting and quitting times and the number of hours per day and the shift to be worked; to establish, modify, and enforce reasonable rules and regulations that are not in direct conflict with the express provisions of the Agreement; to select and hire employees; to introduce new, improved, or different methods of operations which may cause a reduction in the work force; to establish, change, or combine job classifications; to determine job qualifications; and to create and disband employee committees, teams, and working groups in support of the Company's safety and total quality management objectives; provided such committees, teams, or working groups may not function in a representative capacity or deal with matters involving wages, hours or working conditions.

2.4 SUPERVISORS: Supervisors and management personnel will be able to assist employees in trouble shooting, technical advice, and training. When an emergency situation warrants or when a shift is crippled by employee absenteeism, a supervisor or manager can fill a position until sufficient employees can be called in from off work and arrive at the job prepared to perform the work involved. With the exceptions stated herein, supervisors will not perform bargaining unit work.

- 3.2 CHANGE OF SHIFTS: The Company shall give a notice of at least seven (7) days of any change in regular shifts to the Union and the employees affected. Notice of shift change does not apply when the Company is involved in contingency, emergency surge operations, or military directed exercise.
- 3.3 OVERTIME RATES: Employees will be paid time and one-half (1 ½) for hours worked in excess of eight (8) within a work day and for hours worked in excess of forty (40) within a statutory work week without duplication of daily and weekly overtime.
- 3.4 NIGHT SHIFT PREMIUM: A shift differential of three percent (5%) per hour shall be paid for all time worked on the second shift. In addition, all time worked on Sunday (0001-2400) will be compensated at a ten percent (10%) premium above straight time, overtime, shift differential, etc.
- 3.5 SHOW UP AND CALL-IN PAY: An employee (A) reporting for work in the absence of notice not to report, (B) called in to work on a holiday or on one of his scheduled days off, or (C) recalled after completing a day's assignment and who has checked out and left his place of employment shall receive no less than the equivalent of two (2) hours pay at the applicable rate; provided, however, that any amount paid for hours actually worked shall be credited against such minimum guarantee.
- 3.6 DISTRIBUTION OF OVERTIME: Consistent with efficient operations, overtime shall be distributed equally among employees in each occupation.
- 3.7 EMERGENCY DISCONTINUANCE OF OPERATIONS: In the event of any emergency (e. g., severe weather conditions) requiring the discontinuance of the Company's operations, employees will be released from work and/or will be excused from their obligations to report for work in accordance with any directive issued by the Federal Contracting Officer. The Company shall not be required to pay wages unearned by employees as a result of such discontinuance of operations. In the event of snow and/or ice storms or other emergency conditions requiring discontinuance of work, the company will contact radio and television for notification of employees not to report to work. An employee may use any earned/unused leave for those days notified not to work.

ARTICLE 5

HOLIDAY AND PAYMENT

5.1 HOLIDAY PAYMENT:

(A) All employees covered by this Agreement shall receive holiday pay for each of the following designated holidays, irrespective of the day of the day of the week on which the holiday may fall. Holiday pay shall be equal to the employee's pay for one (1) day as per his/her regular scheduled shift. The Company may substitute for any named holiday another day off with pay in accordance with a plan mutually agreed upon by the Company, employee, and Union.

- (1) NEW YEARS DAY
- (2) PRESIDENT'S DAY
- (3) MARTIN LUTHER KING'S BIRTHDAY
- (4) MEMORIAL DAY
- (5) INDEPENDENCE DAY
- (6) LABOR DAY
- (7) COLUMBUS DAY
- (8) VETERAN'S DAY
- (9) THANKSGIVING DAY
- (10) CHRISTMAS DAY
- (11) BIRTHDAY HOLIDAY

(B) When a holiday falls within an employee's vacation period, such day shall be treated as a holiday rather than a vacation day.

(C) Any holiday, which falls on a Saturday or Sunday, shall be celebrated on the day designated by Sheppard AFB, for the observance of such holiday.

(D) To be eligible for the holiday pay, an employee must work his/her scheduled work shift immediately before or immediately after the celebrated holiday, except in cases where absence is due to personal illness, death in the immediate family, or other reason acceptable to the Company. If requested by the Company proof of reason for absence will be required. Full-

Article 6

Vacation

6.1 Policy. The company will grant you annual vacations to all eligible employees are herein provided.

6.2 Eligibility and Payment. (A) Full time employees on the payroll of their vacation eligibility date, which shall be the anniversary date (Anniversary date shall be First (1st) date of hire without break) of the employees in the base operating supply support contract at Sheppard Air Force Base, Wichita Falls, Texas or as set forth in the service contract act.

<u>From</u>	<u>Less Than</u>	<u>Number of Days</u>
1 year	5 years	10
6 years	10 years	15
11 years	12 years	17
13 years	15 years	20
16 years	20 years	25
Over 21 years		30

(B) Vacation pay shall be paid at employees regular base pay rate, including night shift differential, if applicable.

(C) Paid vacation for a part-time employee shall be proportional to full-time employees based on the number of hours worked during the period involved. All other conditions set forth in this section shall apply to part-time employees.

(D) An employee who has met the prerequisites of this section and who leaves the company's employment for any reason or who is laid off indefinitely shall receive pay in lieu of any unused vacation he/she accumulated at his/her last vacation eligibility date or accrued time for following year. Employees may not accumulate vacation from year to year.

(E) The company remains the right to schedule vacations in such a way as will least interfere with the workload and efficiency of its operations, but will attempt to reach a mutually convenient schedule with each employee. Vacation requests may be submitted as early as sixty (60) days in advance. The approval or disapproval of these requests will be determined before forty-five (45) days prior to vacation. Prior to this forty-five (45) day period, seniority shall prevail where two (2) or more employees of the same job description

Article 7

Leaves of Absence

7.1 Application for Leaves of Absence. Except for military service and emergency conditions, no application for a leave of absence will be considered unless it is applied for in writing and on forms provided by the company for that purpose. In the case of an emergency situation, application for leave of absence will be furnished to the company seven (7) days after the employee returns from emergency leave of absence status. Each employee will be furnished with a copy of leave of absence application.

7.2 All Leaves of Absence. All leaves of absence except as otherwise herein provided, shall be granted at the discretion of the company, dependent upon the work requirements or schedule commitments of the section in which the employee requesting leave of absence is employed. The company reserves the right to request from an employee documentary proof of the conditions necessitating the leave of absence. The company may also, when in its opinion it is necessary, arrange for a doctor selected by the company to interview or examine such employee who has applied for a leave of absence because of illness or disability for the purpose of determining the employee's condition and the possible duration of sickness or disability. Misrepresentation of the facts on the basis of which a leave of absence is granted shall constitute grounds for dismissal for cause.

7.3 Extended Military Duty. Employees who enter the armed forces of the United States shall be granted a leave of absence for the period of such service and, upon honorable discharge there from, shall be re-employed by the company as provided by the Universal Training and Service Act.

7.4 Non-War Military Duty Absence. An employee with twelve (12) months or more of continuous service credit who is called for and performs non-war military duty shall be granted a leave of absence. Service credit and duly established seniority privileges will accumulate such leave.

7.5 Death in the Immediate Family. In the event of death in the employee's immediate family, an employee shall be paid for a maximum of three (3) days absence during the normal workweek if in the immediate vicinity, and five (5) days if the death is out of the immediate vicinity. For the purpose of this section, immediate family shall include the employee's spouse, children, mother, father, sister, brother and grandparents and spouse's

employees will not report for work while on jury/witness duty. Continuous service credits and seniority privileges will accumulate during such leaves. Employees must present receipt of payment or a copy of the check from the court system in order to receive payment by the company.

7.10 Vacation Eligibility Upon Return from Leave of Absence. An employee on approved leave of absence who has not taken vacation shall be entitled to vacation provided the eligibility requirements set forth in section 7.2 have been met and continuous service requirements have been met as defined in Article 9.

7.11 Effective Leave of Absence on Employees Benefits.

- (A) Time spent on an unpaid leave absence of over ninety (90) days will not be counted as time employed in determining an employees eligibility for benefits that accrue on the basis of length of employment.
- (B) An employee who is granted a leave of absence for a period of three (3) months or more will, if he/she so desires, be paid at the time he/she starts his/her leave any vacation pay that would be due him/her in accordance with company vacation policies.
- (C) The effect of leaves of absence on employee benefits other than those included above are included in the policies regarding the individual benefits.

7.12 Family Medical Leave. Family and medical leave will be granted in accordance with the federal Family and Medical Leave Act and the regulations issued there under.

8.3 Continuous Service Credits. Each employee shall have continuous service credits with the company while on excused/approved leave of absence as follows:

- (A) Military Duty as Required by Federal Regulations
- (B) Union Leave
- (C) Sick Leave
- (D) Vacation
- (E) Jury Duty/Witness Duty
- (F) Approved Leave of Absence
- (G) Non-War Military Duty
- (H) Bereavement

has greater bargaining unit seniority than the employee being displaced and provided he/she has the skills and qualifications to perform the work.

- (C) (2) Such employee must notify the company in writing if practical to do so of his/her intention to exercise bumping rights within forty-eight (48) hours of the company's layoff notice. An employee so displaced may similarly exercise his/her rights of displacing another employee in accordance with the same criteria, it being understood, However, that the initial and resultant "bumps" must occur simultaneously so that there will be no delay in the layoff procedures.

9.5 Recall. For the purpose of reinstatement, laid-off employees shall be recalled in the following order.

- (A) Laid-off employees who are classified in the occupational classification in which recalls are being made, in inverse order of layoff.
- (B) Laid-off employees outside the recalled occupation who have skills, qualifications and physical capabilities to do the work required in order of seniority provided there is documented proof of skills and qualifications.
- (C) No new employees will be hired until all such laid off employees have been offered recall within their occupational classification.

9.6 Seniority List. The company shall supply the Union with a seniority list of the employees covered by this agreement. Such list shall be revised every six (6) months.

9.7 Employees transferred out of bargaining unit. An employee who has established seniority rights in an occupational classification within the bargaining unit and who is subsequently transferred or promoted to a position outside the bargaining unit shall be deemed to have accumulated and retained seniority rights in accordance with the provisions of this agreement for a period of ninety (90) days only from the date of such transfer or promotion if, in the opinion of the company, it becomes necessary to return him/her to a vacant position within the bargaining unit.

9.8 Shift Preference. When a vacancy exists on any shift or in the formation of any new shift, preference in filling such vacancy shall be granted on a seniority basis where consistent with efficient operation and occupational classification. If a full-time position is open due to illness, the open position will be posted and filled temporarily by a part-time

Article 10
Safety, Health and Insurance

10.1 Fringe Benefit. The health and welfare benefits allotted each employee shall be paid in accordance with Attachment "A" and shall be paid into a mutually agreed to pension plan on a monthly basis.

10.2 Safety and Health. The company will make all reasonable provisions for the safety and health of its employees during hours of employment. The Union agrees to cooperate with the company in insuring conformance with all established safety regulations.

10.3 Safety Meetings. Safety meetings, company and union will meet one (1) time per month to discuss safety issues and problems.

10.4 Physical Examination.

- (A) The company may require an employee to undergo a physical examination for cause. The Union agrees to cooperate fully with all requirements imposed upon the company by statute, regulations, or contract to establish and enforce policies prohibiting the use, sale, and/or possession of drugs and controlled substances and the detection thereof.
- (B) The company shall have the right to select the examining physician to request the physician to conduct specific tests, and to receive a written report from the physician as to his findings. All such reports shall be considered and treated in a confidential manner by the company. The total cost of such physical examinations and tests, exclusive of any treatment given shall be borne by the company.

10.6 Drug Free Workplace.

- (A) The company will not conduct random drug or alcohol testing on employees except as required by the United States Air Force or by applicable law, otherwise, drug or alcohol testing will be performed only for reasonable probable cause. Any drug testing of an employee will not be considered to be positive unless a certified laboratory confirms such positive test. Careful documented "Chain of Custody" will be observed.
- (B) Searches of an individual employee's property and possessions will not be undertaken by the company unless reasonable probable cause exists or unless such searches are required by the United States Air Force or by applicable law.

Article II
Government Security

11.1 Defense Security.

- (A) The Union recognizes that the company has certain obligations in its contracts with the government pertaining to security and that security is vital to the company and the Union in carrying out their parts in the defense effort.
- (B) Therefore, in the event that the armed forces, through their duly authorized representatives concerned with security, advise or have advised the company that any employee in the bargaining unit covered by this agreement is denied work on Tinker Air Force Base or access to classified information or material, it is mutually agreed between the company and the Union that such employee shall be subject to any action as to his employment, including but not limited to termination, which the company considers necessary for security reasons. Any such employee will have no seniority rights under this agreement while such determination is outstanding.
- (C) In the event, However, that the review duly made by the appropriate governmental authority shall result in a reversal in the original ruling, all seniority, benefits, and other employment rights of an employee shall be restored to him/her, and, if he/she has been removed from employment for security reasons and such reversal is obtained after his/her removal, he/she shall be offered reinstatement in accordance with his/her accumulated seniority. The company will not make any payment of any claim by such employee for lost wages, but will provide any relevant information if the employee should seek compensation for lost wages from some other entity.
- (D) The company, all employees, and all representatives of the Union having access to the premises are required to comply with applicable government security regulations when performing work for the government. The company and the Union agree that security information will be revealed only to persons properly cleared and required to have the information by the government.

11.2 Failure to Obtain Security Clearance. If an employee has not been granted a security clearance within one hundred twenty (120) calendar days, because of employee delay, from the date of application submission, the company may terminate his/her employment.

- (K) The company provides time cards to record employee attendance. Employees are responsible for maintaining their time cards accurately.
- (L) Employees are required to clock-in or clock-out within at least five (5) minutes of the scheduled work shift. Employees standing in the vicinity of a time clock more than five (5) minutes before the end of their shift will be required to clock-out and leave the work area.
- (M) All employees are responsible for their own time cards. No one will clock-in or clock-out for another employee. Under unusual circumstances, a work leader or supervisor may clock an employee in or out.
- (N) Excessive tardiness/L.W.O.P. absences. Three (3) tardies, three (3) unexcused absences, three (3) L.W.O.P., or a combination of any of the three (3) in a ninety (90) day period shall be considered excessive.

12.2 Disciplinary Action. The following disciplinary action policy shall be followed by the company for violations of the code of conduct identified in Section 1.

- (A) First Offense- a verbal warning will be issued for the first offense.
- (B) Second Offense- a written reprimand will be given for the second violation.
- (C) Third Offense- from one (1) day suspension without pay, up to and including discharge.

The Union will be furnished with a copy of disciplinary actions taken by the company.

12.3 Discharge. Any of the following activities or actions may warrant immediate dismissal from employment with the company:

- (A) Any employee who willfully abuses or destroys government or company property, tools, or equipment.
- (B) Any employee who intentionally falsifies government or company records.
- (C) Any employee who removes from the work area any government or company property, tools, or equipment without the prior written permission of the project manager.
- (D) Any employee in possession of firearms, fireworks, or explosives on government or company property.
- (E) Any employee who knowingly makes a false entry on his/her time card.
- (F) Any employee who changes or otherwise alters another employee's time card.

- (R) Any employee with excessive tardiness or absenteeism.
- (S) Any employee who falsifies travel or expense records.
- (T) Liquor entering the work site or being on the job under the influence of intoxicants or consumption thereof on the job are prohibited. An employee with the odor of alcohol on his or her breath will be subject to tests to determine the percentage of alcohol in the employee's system. A reading of .05 and above will result in termination of the employee. A lesser read will result in removal from the job without pay and appropriate disciplinary action up to and including discharge.
- (U) Entering or being on the plant site under the influence of or in possession of any illegal, non-prescription drugs of abuse.

12.4 Records. Where a warning notice was issued more than nine (9) months prior to any subsequent warning, the prior warning notice will not be counted for the purpose of satisfying the requirements of the foregoing sections.

in a timely manner. Failure of the company to answer the grievance within ten (10) working days may be treated as a denial of the grievance, and the Union may appeal to arbitration.

13.2 Handling Grievances. The committeepersons shall be allowed to handle requests, complaints, or grievances arising under this agreement during his or her regular working hours without loss of compensation, provided that the time so spent is devoted to the prompt handling of requests, complaints or grievances in accordance with the grievance procedure of this agreement and that he or she continue to perform his or her assigned jobs at all other times.

Article 15

Union Representation

15.1 Investigation of Grievances. Subject to existing security regulations, the international representative or other authorized representatives of the Union shall have access to the company's work areas during working hours for the purpose of investigating grievances, complaints, or matters arising out of the application of the agreement. He or she shall obtain from the company specific authorization for each visit, and such visit shall be subject to such regulations as may be made from time to time by the company; no normal request shall be denied. The company will not impose regulations, which will exclude such representatives from the work areas nor render ineffective the intent of this provision.

15.2 Designation of Grievance/ Bargaining Committeepersons. The Union may designate not more than two (2) committeepersons, and two (2) alternate committeepersons. The Union will keep the company currently informed, in writing, of the names of the designated committeepersons, and alternate committeepersons, so designated, the international representative, and the company will accept other designated representatives as representatives of the Union.

15.3 Scope of Grievance/Bargaining Committeepersons' Union Activities. The committeepersons' union activities on company time shall fall within the scope of the following functions:

- (A) To consult with an employee regarding the presentation of a request, complaint, or grievance which the employee desires him/her to present.
- (B) To investigate a complaint, grievance, or record after presentation to the appropriate supervisor.
- (C) To present a request, complaint, or grievance to an employee's immediate supervisor in an attempt to settle the matter for the employee or group of employees who may be similarly affected.
- (D) To meet by appointment with an appropriate supervisor or other designated representative of the company, when necessary, to adjust grievances in accordance with the grievance procedure of the agreement. The company and the Union are in agreement that the minimum amount of time should be spent in the performance of these duties.

Article 16
General Provisions

16.1 Bulletin Boards. The company agrees to provide a suitable number of bulletin boards for posting of local union publicity. Material posted shall be limited to notices of local union newspaper items, union recreation, social activities, seniority lists, local union election notices, and anything of general interest to Union members.

16.2 Waiver. The parties acknowledge that during the negotiations which resulted in this agreement, each had the unlimited right and opportunity to make demands, and proposals with respect to any subject or matter not removed by law from the area of collective bargaining and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this agreement. Therefore, for the life of this agreement, the parties waive the right, and each agrees that the other shall not be obligated except as provided in this agreement, to bargaining collectively with respect to any subject or matter may not have been within the knowledge or contemplation of any of the parties at the time this agreement was negotiated or signed.

16.3 Invalidity. If any provision of this agreement is held to be invalid, the remainder of this agreement shall not be affected thereby.

16.4 Successors. This agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns.

Article 18

Employees Covered

18.1 Employees Covered. Phoenix Management, Inc. (the company) recognizes the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, U.A.W. (the Union) as the exclusive bargaining agent for all employees of the company at their Sheppard Air Force Base location and will bargain with the Union on all matters of wages, hours and working conditions covered by this agreement.

18.2 It is imperative that all members and non-members alike understand that it's the position of the company and the Union that everyone covered in the wage section of the agreement, attachment "A" is considered non-management personnel. The hiring, firing, assessing discipline, conducting disciplinary interviews or in any way being involved in the disciplinary interviews or in any way being involved in the disciplinary procedure of employees covered by this agreement is the sole responsibility of management.

18.3 Union Security Clause. All employees covered under this agreement who are not already members of the Union shall become members within thirty (30) days of ratification or as a condition of employment pay to the Union a one (1) time initiation fee and each month a service fee in the amount equal to the regular monthly Union dues uniformly required of employee's of the company who are members of the Union as outlined in Article 18.4.

18.4 Payment of Union Dues. Upon written authorization from an employee on a form meeting the requirements of the Labor Management Relations Act, the company will deduct from the wages of such employee an amount equal to two (2) hours of regular pay each month and initiation fees established in accordance with the International Union Constitution and Local Union bylaws, provided that the Union will furnish the company a list of such employees with the periodic up-dates of said list before deductions are to be made. Such deductions will be made from the first pay period in the month, and the company will remit such deducted amounts to the Union. The Union agrees to indemnify, defend, and save the company harmless from all claims and liability arising out of the matter of dues collection as provided for herein. The authorization directing the company to make such deductions as provided herein shall be irrevocable for the duration of this agreement.

18.5 Non-Discrimination. Neither the Union nor the company will discriminate for or against any employee by reason of his or her membership or non-membership in the Union but will accord identical treatment to Union members and non-members in all matters.

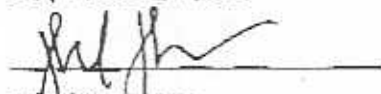
HEALTH AND WELFARE BENEFITS

1. THE PARTIES HAVE AGREED TO A JOINT SURVEY FOR THE BEST 401 (K) SAVINGS PLAN AVAILABLE THAT PROVIDES EMPLOYEES WITH THE MOST OPTIONS ON INVESTING THEIR HEALTH AND WELFARE BENEFITS. THE NEW PLAN WILL BE IMPLEMENTED WITHIN NINETY (90) DAYS OF RATIFICATION FROM THE MEMBERSHIP OF T-SQUARE, UAW LOCAL 286.

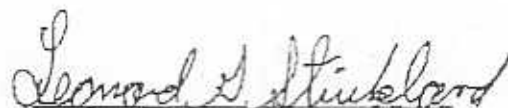
<u>CURRENT</u>	<u>EFFECTIVE</u>	<u>EFFECTIVE</u>	<u>EFFECTIVE</u>
	1999	2000	2001
\$2.80	\$3.00	\$3.00	\$3.25

EXECUTED AT AUSTIN, TEXAS, ON THE 28th, DAY OF JUNE IN THE YEAR
OF ~~2002~~ 2001 *Don Terry Clary*
IN WITNESS WHEREOF, THE PARTIES HERETO HAVE CAUSED THIS
AGREEMENT TO BE EXECUTED BY THEIR DULY AUTHORIZED OFFICERS
AND REPRESENTATIVES AS SIGNIFIED BELOW WITH THEIR
SIGNATURES.

FOR THE UNION:



DAVID DUNN
INTERNATIONAL REPRESENTATIVE
INTERNATIONAL UNION, UAW



LEONARD STRICKLAND
VICE-PRESIDENT
PHOENIX MANAGEMENT, INC.


PRESIDENT UAW LOCAL 286